



MARKETING  
EVOLUTION

Certification

The ROI Brain™

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PURCHASES

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Spotify

BRAND  
PERCEPTIONS



AD  
EXPOSURES





## ROI Brain™ Certification

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# ROI Brain: Theory & Practice

1. Theory: SIRFs, Calculations & Logic
2. Theory: MONICA Algorithm
3. Theory: Design Principles, Product Tour
  
4. Practice: Hands-on with ROI Brain™ Dashboard
5. Practice: Hands-on with ROI Brain™ Planning Software
6. Practice: Hands-on with Support & The “What’s New, What’s Next, What’s Desired” cycle
  
7. Certification Quiz

# As A Marketer, What Do You See?



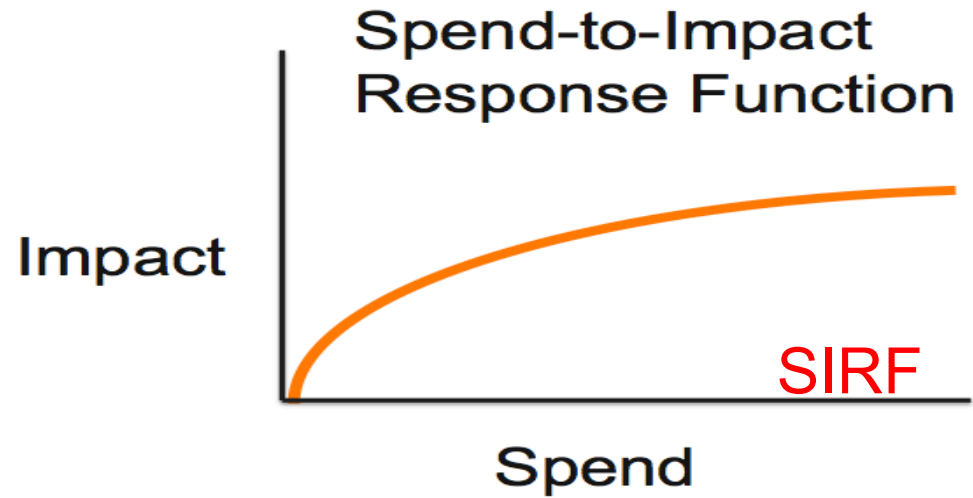
# How Do You Rate This Advertisement?

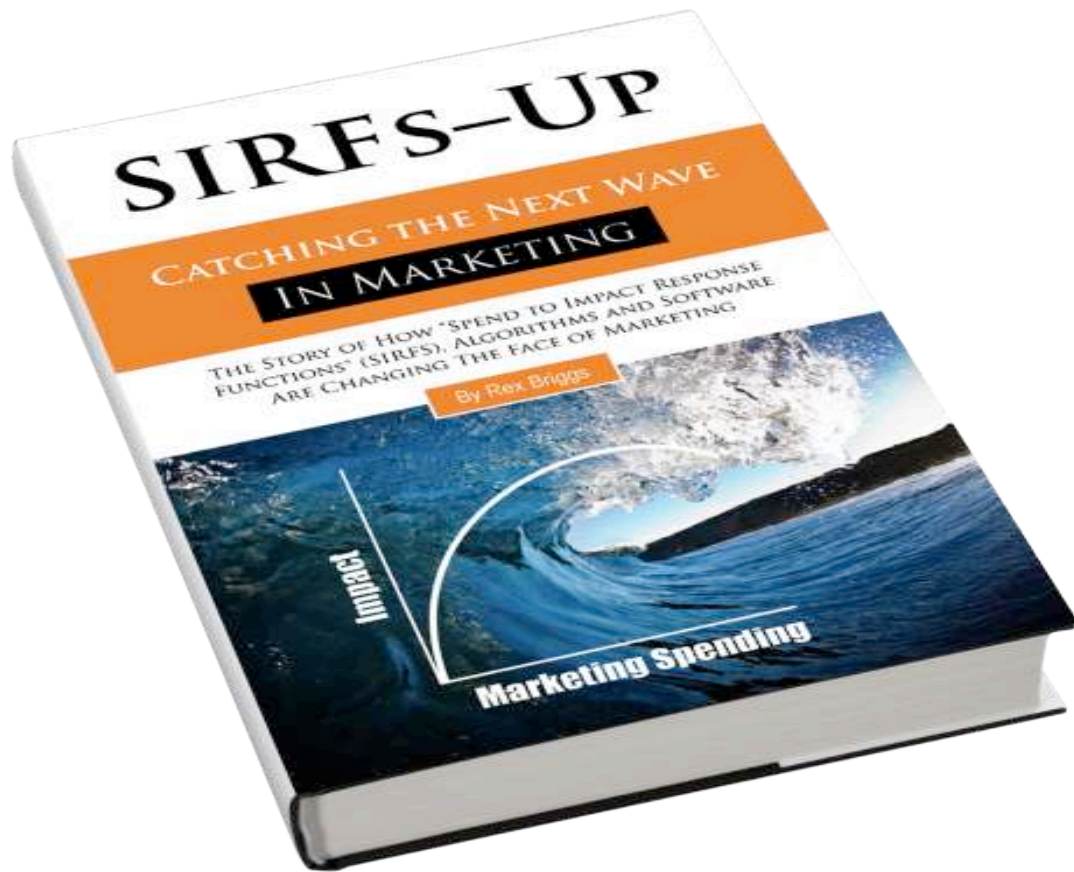


Roll Advertisement from Super Bowl



Was that Super Bowl advertisement really a good idea?





## Part 1: SIRFs

*Unlocking the relationship between marketing dollars and marketing outcomes*

Discussion:

# What Are The Main Factors Used To Calculate A Program's ROI?





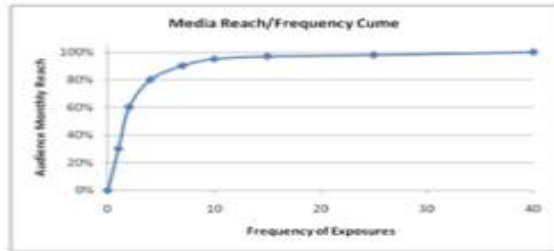


Key Concept 1

# What Are The Factors That Determine Message ROI?



## Message Exposure



## Impact of those reached



& Value of the impact

### Example:

Each sale is worth \$2,000 in profit.

Total Cost: \$10,000

Reach: 100,000 people, average frequency 3.5

Impact: 0.02% converted to buyers (20)

Total Profit: \$40,000 in profit

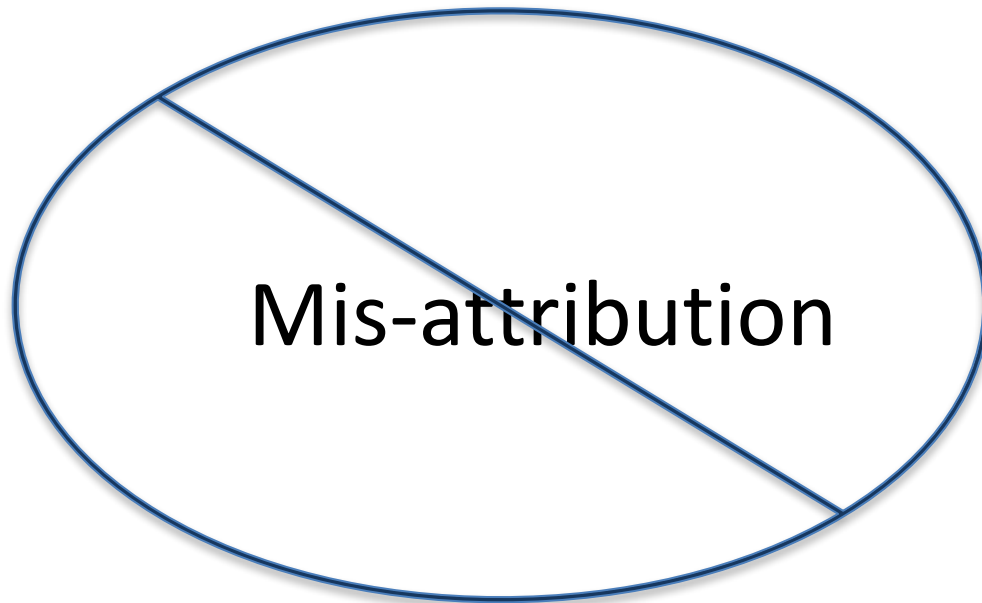
## ROI

Return on Investment: **\$4** (\$40,000/\$10,000)



# Avoid Misattribution

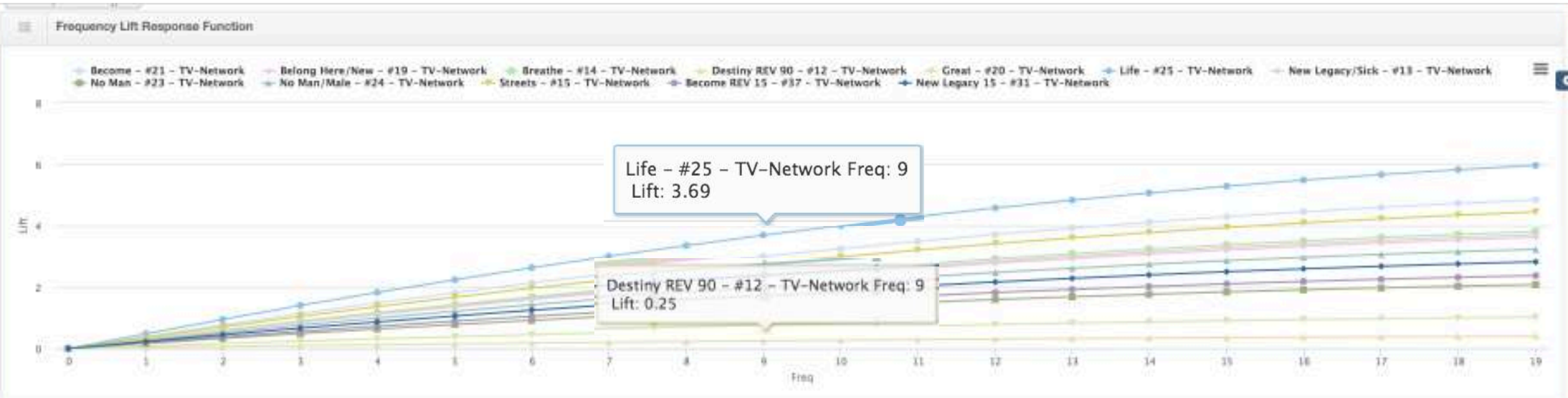
*See Advertising Research Foundation (ARF) Paper on misattribution*



## 5 Flaws of Attribution

- 1 In-Market/Targeting Bias**  
Attribution models lack control groups and over-count the contribution of advertising to in-market consumers. This is bias and does not accurately predict how many consumers would have purchased without advertising.
- 2 Cheap Inventory Bias**  
When buying more cheap impressions than expensive ones, the cheap inventory has a higher chance of showing up in a buyer's exposure pool – but that doesn't mean that the cheap impression caused the sale.
- 3 Digital Signal Bias**  
Clicks and online buying signals are not representative of the overall buying population. Therefore, attribution solutions are often flawed for those that sell offline or through a combination of bricks-and-clicks.
- 4 Missing Leading Indicators**  
Most attribution models report results after the campaign is over, chasing lagging indicators, such as sales. Those who want to optimize marketing need a leading indicator model.
- 5 Lack of Longitudinal "Brand-to-Behavior" Analysis**  
Person-level brand perception data is left out of most attribution analysis. When it's included, it is often a separate aggregate trend which fails to combine the individual's exposure with their attitudinal and behavioral data, thus missing how brand perception truly influences sales.

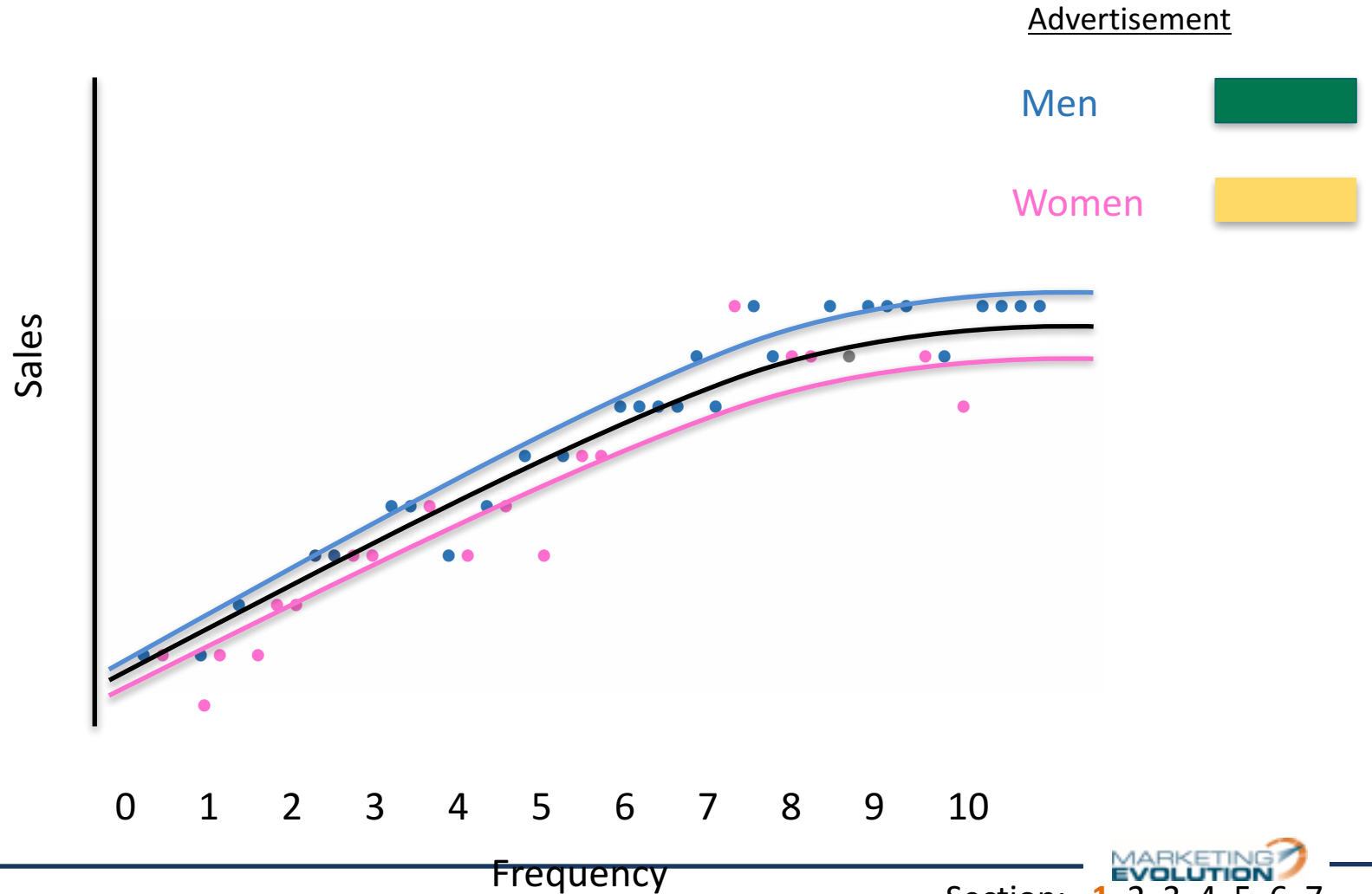
# Different Messages Have Different Impact



- On-Boarding Timeline
- Overall Business
- Current Campaign
- Marketing Calendar
- Best Practices
- Budget/What-ifs
- Historical Reports
- Learning Agenda
- Help & Tutorials
- JIRA Help & Support
- Admin
- Logout

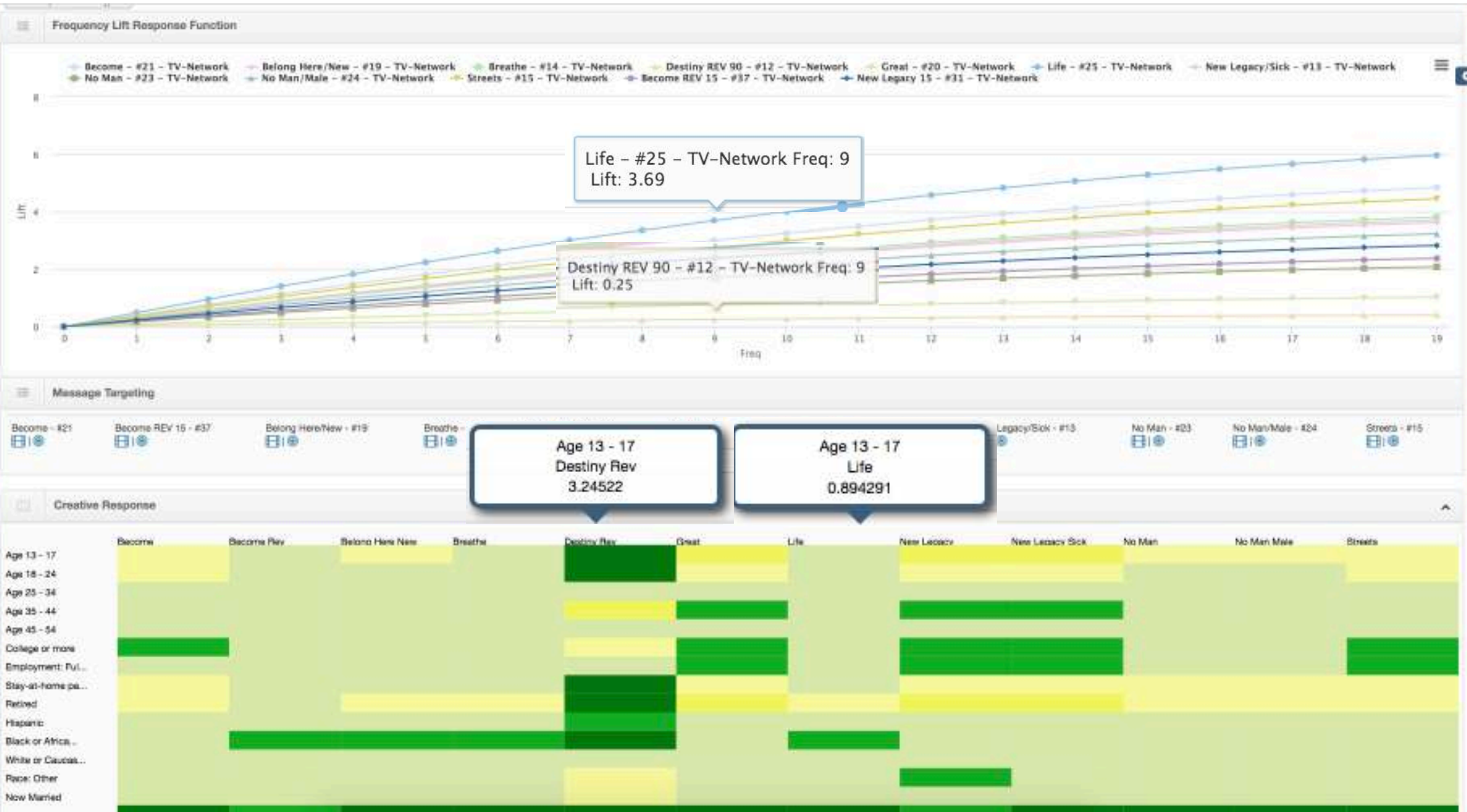
# FLIRF

Impact varies by target audience



# Case Example: Right Message To The Right Person

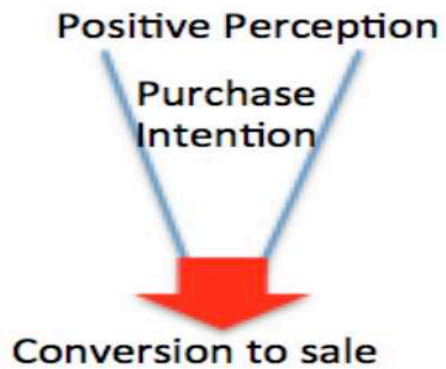
## Different Messages Have Different Impact For Different People



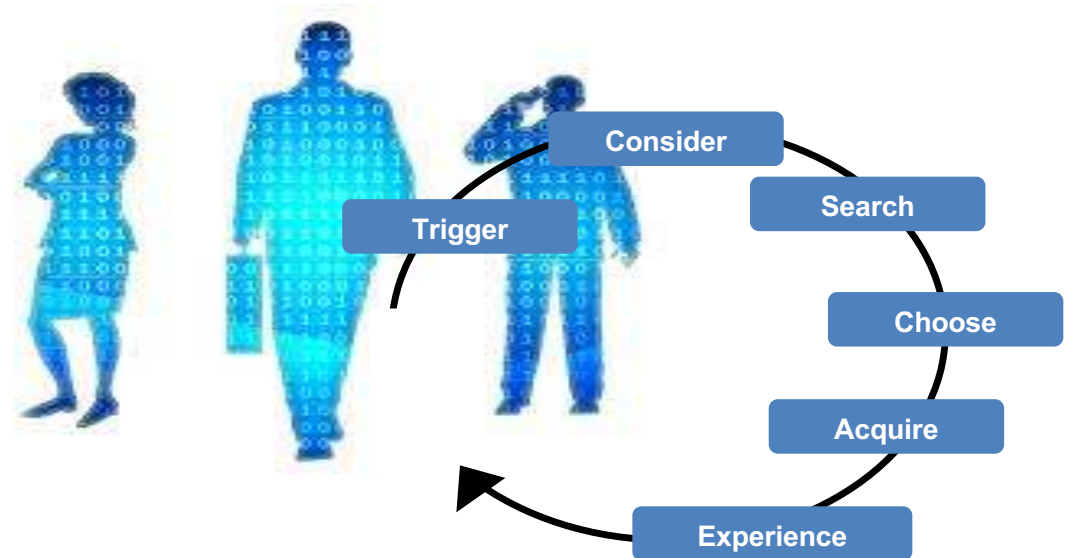
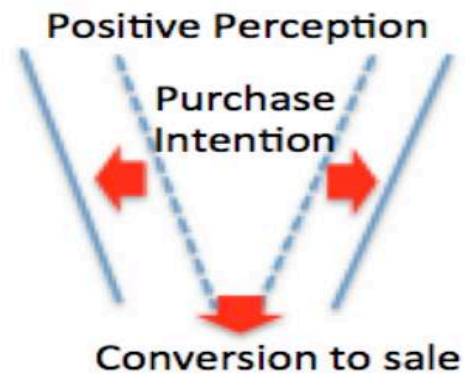
# Defining Your "Objective"

Discussion: If you optimize for the last purchase, will you grow your sales?

**Figure A:  
Product Conversion Focus**



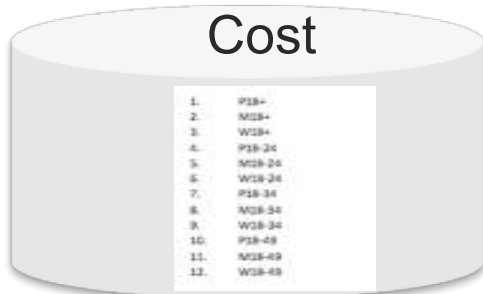
**Figure B:  
Brand Equity Focus**



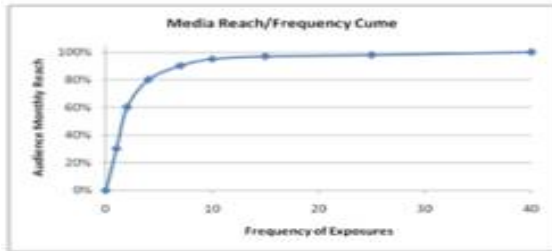


Discussion:

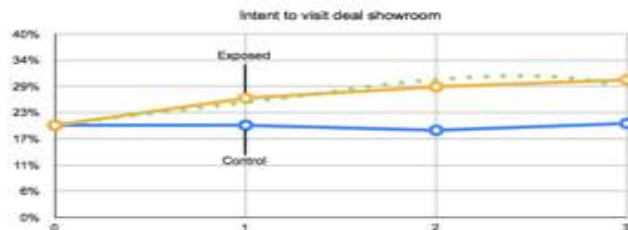
# What Is The ROI On A Branding Initiative?



## Message Exposure



## Impact of those reached



& Value of the impact

# ROI



Example:

Each sale is worth \$2,000 in profit.

Total Cost: \$10,000

Reach: 100,000 people

Impact: +3pts Top brand considered (+3000 people)

Total Profit: \$200,000 in-profit

Return on Investment:

**300\*** (# of people impacted per \$1000 dollars)

**\$3.33\*** (Cost per person impacted)

Path To Purchase Conversion to Sales: 3%

(9 buyers = \$18,000 in sales = **\$1.80** ROI)

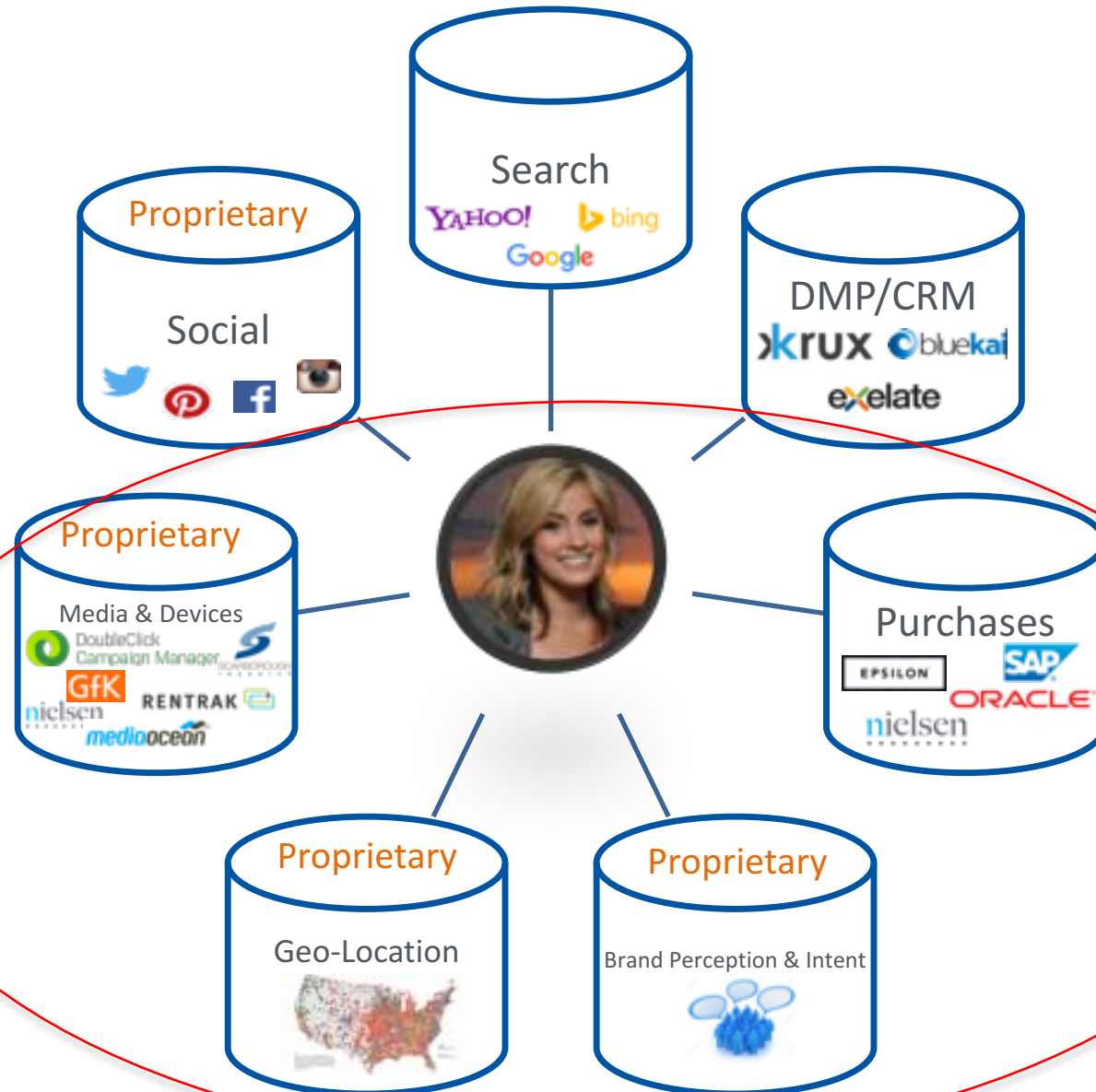
# Brand to Behavior (The Leading Indicator Model)

## Sales & Consumer Intention

**GOAL:** Influence the NEXT purchase

- Find the predictive relationship between sales & brand perceptions.
- Person-level path-to-purchase analysis using digital data, surveys and statistical analysis of how brand perceptions drive sales.
- Linkage to which advertisements & offers influence which brand perceptions leading to sales.
- Exposed/Control exposure validation of brand-to-behavior.
- Benchmarks for your industry as “quick start.” Validated every 6 months.

**Result:** We know the value of branding to sales, and will measure brand as a leading indicator of sales.

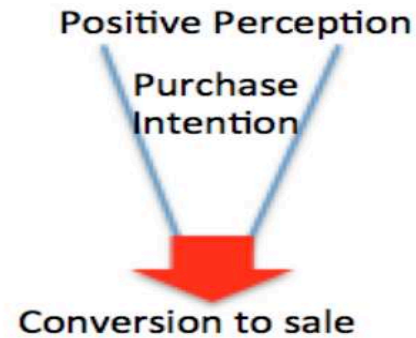




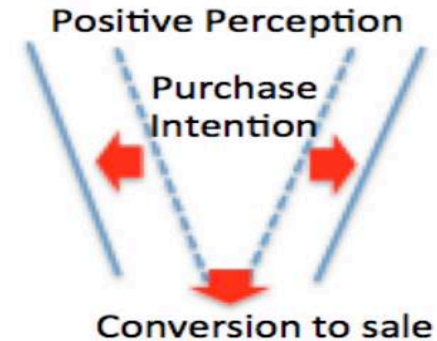
# Linking Brand To Behavior: Leading Indicator Model

## The Analysis

**Figure A:  
Product Conversion Focus**



**Figure B:  
Brand Equity Focus**



# Optimizing on Life Time Value / Longer Term Value

## Automotive Case Example

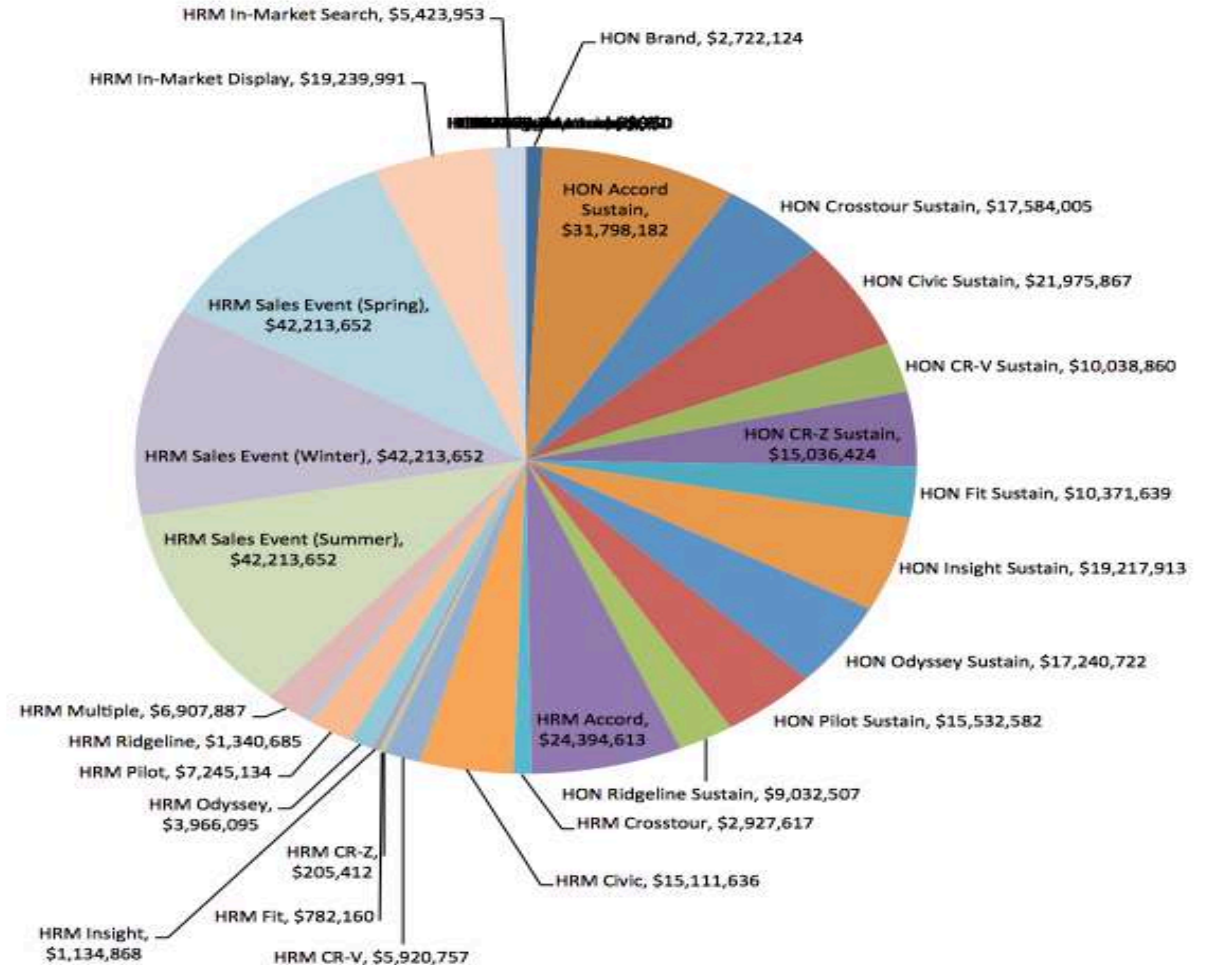
### TOTAL METRIC LEVEL

| FY14 END    | Familiarity | Favorability | Consideration | Research Online | Visit Dealership | Sales     | FY14 END    |
|-------------|-------------|--------------|---------------|-----------------|------------------|-----------|-------------|
| Honda Brand | 54.5%       | 50.4%        | 41.2%         | 18.4%           | 8.7%             | 1,411,995 | Honda Brand |
| Accord      | 42.90%      | 45.61%       | 35.71%        | 15.63%          | 7.54%            | 340,489   | Accord      |
| Crosstour   | 8.43%       | 17.36%       | 13.95%        | 12.26%          | 3.51%            | 38,528    | Crosstour   |
| Civic       | 43.76%      | 43.31%       | 34.98%        | 19.84%          | 10.75%           | 338,121   | Civic       |
| CR-V        | 25.83%      | 30.54%       | 25.65%        | 13.91%          | 6.65%            | 319,172   | CR-V        |
| CR-Z        | 42.54%      | 49.54%       | 47.65%        | 24.07%          | 19.61%           | 16,907    | CR-Z        |
| Fit         | 15.73%      | 23.32%       | 25.41%        | 11.57%          | 4.55%            | 81,039    | Fit         |
| Insight     | 13.23%      | 30.10%       | 31.49%        | 14.02%          | 5.06%            | 24,137    | Insight     |
| Odyssey     | 32.53%      | 42.24%       | 36.12%        | 17.71%          | 8.67%            | 140,297   | Odyssey     |
| Pilot       | 25.92%      | 31.12%       | 23.83%        | 15.06%          | 6.70%            | 99,609    | Pilot       |
| Ridgeline   | 7.53%       | 12.32%       | 11.59%        | 6.99%           | 2.31%            | 13,696    | Ridgeline   |

# Optimizing on Life Time Value / Longer Term Value Automotive Case Example

## Optimized Portfolio Budget Allocation

| UNIVERSAL EXTERNAL DRIVERS (applies to all nameplates)  |                                    |               |               |               |
|---|------------------------------------|---------------|---------------|---------------|
| EXTERNAL  | METRIC                             | FY14 default  | historic low  | historic high |
| Global Insights Total Category Size   | total # of units                   | 15,000,000    | 10,449,854    | 16,613,773    |
| Unemployment  | average % rate                     | 7.9%          | 4.0%          | 10.2%         |
| Gas Price   | average \$ gas price               | \$3.59        | \$1.78        | \$4.15        |
| Honda Dealer Association Ad Spend   | \$ total                           | \$70,203,551  | \$57,587,700  | \$117,505,600 |
| Honda Local Dealer Ad Spend   | \$ total                           | \$147,406,344 | \$116,710,700 | \$220,276,800 |
| Acura Dealer Association Ad Spend   | \$ total                           | \$36,806,608  | \$36,806,608  | \$36,806,608  |
| Acura Local Dealer Ad Spend   | \$ total                           | \$23,140,249  | \$13,618,400  | \$34,856,100  |
| Honda Ethnic Ad Spend   | \$ total                           | \$23,826,536  | \$18,803,701  | \$33,606,363  |
| NON-UNIVERSAL EXTERNAL DRIVERS (specific to individual nameplates)                                    |                                    |               |               |               |
| Pilot   | ← dropdown to view default/min/max |               |               |               |
| EXTERNAL  | METRIC                             | FY14 default  | historic low  | historic high |
| Polk Segment Size   | total # of units                   | 883,361       | 632,251       | 1,333,477     |
| Edmunds Consumer Rating   | average consumer rating            | 4.3           | 4.0           | 5.0           |
| Inventory   | average monthly units              | 16,306        | 5,888         | 39,545        |
| Pricing   | average MSRP                       | \$34,687      | \$31,626      | \$34,737      |
| Competitor Pricing  | average MSRP                       | \$33,486      | \$30,134      | \$33,486      |
| Incentives  | average \$ per vehicle             | \$3,192       | \$1,211       | \$3,206       |
| Competitor Incentives   | average \$ per vehicle             | \$2,649       | \$2,326       | \$5,074       |
| Competitor Ad Spend   | \$ total                           | \$563,764,229 | \$258,515,700 | \$928,831,200 |
| # OF OVERRIDES OUTSIDE MEASURABLE RANGE OF IMPACT (applies to both universal & non-universal drivers) |                                    |               |               |               |
| * out of range = beyond historic low/high OR no statistically significant impact.                     |                                    |               |               | NAMEPLATE     |
| # of overrides outside measurable range of FUNNEL impact  |                                    |               |               |               |
| # of overrides outside measurable range of SALES impact   |                                    |               |               |               |



# Optimizing on Life Time Value / Longer Term Value Automotive Case Example

TOTAL METRIC LEVEL

| FY14 END    | Familiarity | Favorability | Consideration | Research Online | Visit Dealership | Sales     | FY14 END    |
|-------------|-------------|--------------|---------------|-----------------|------------------|-----------|-------------|
| Honda Brand | 54.5%       | 50.4%        | 41.2%         | 18.4%           | 8.7%             | 1,411,995 | Honda Brand |
| Accord      | 42.90%      | 45.61%       | 35.71%        | 15.63%          | 7.54%            | 340,489   | Accord      |
| Crosstour   | 8.43%       | 17.36%       | 13.95%        | 12.26%          | 3.51%            | 38,528    | Crosstour   |
| Civic       | 43.76%      | 43.31%       | 34.98%        | 19.84%          | 10.75%           | 338,121   | Civic       |
| CR-V        | 25.83%      | 30.54%       | 25.65%        | 13.91%          | 6.65%            | 319,172   | CR-V        |
| CR-Z        | 42.54%      | 49.54%       | 47.65%        | 24.07%          | 19.61%           | 16,907    | CR-Z        |
| Fit         | 15.73%      | 23.32%       | 25.41%        | 11.57%          | 4.55%            | 81,039    | Fit         |
| Insight     | 13.23%      | 30.10%       | 31.49%        | 14.02%          | 5.06%            | 24,137    | Insight     |
| Odyssey     | 32.53%      | 42.24%       | 36.12%        | 17.71%          | 8.67%            | 140,297   | Odyssey     |
| Pilot       | 25.92%      | 31.12%       | 23.83%        | 15.06%          | 6.70%            | 99,609    | Pilot       |
| Ridgeline   | 7.53%       | 12.32%       | 11.59%        | 6.99%           | 2.31%            | 13,696    | Ridgeline   |

| FY15 END    | Familiarity | Favorability | Consideration | Research Online | Visit Dealership | Sales     | FY15 END    |
|-------------|-------------|--------------|---------------|-----------------|------------------|-----------|-------------|
| Honda Brand | 52.0%       | 48.7%        | 40.2%         | 15.0%           | 7.8%             | 1,301,457 | Honda Brand |
| Accord      | 38.51%      | 41.12%       | 31.89%        | 12.58%          | 6.58%            | 314,057   | Accord      |
| Crosstour   | 3.27%       | 11.95%       | 10.37%        | 9.27%           | 2.28%            | 35,043    | Crosstour   |
| Civic       | 40.43%      | 39.41%       | 31.71%        | 16.79%          | 9.49%            | 309,500   | Civic       |
| CR-V        | 22.36%      | 26.99%       | 22.79%        | 11.44%          | 5.55%            | 298,597   | CR-V        |
| CR-Z        | 39.64%      | 46.71%       | 45.43%        | 21.77%          | 18.66%           | 16,413    | CR-Z        |
| Fit         | 12.14%      | 19.78%       | 22.80%        | 9.34%           | 3.54%            | 72,332    | Fit         |
| Insight     | 8.22%       | 25.32%       | 28.63%        | 11.33%          | 4.05%            | 23,188    | Insight     |
| Odyssey     | 28.88%      | 38.37%       | 33.57%        | 15.16%          | 7.68%            | 129,677   | Odyssey     |
| Pilot       | 21.81%      | 26.61%       | 20.90%        | 12.53%          | 5.72%            | 92,033    | Pilot       |
| Ridgeline   | 3.39%       | 8.02%        | 8.52%         | 4.70%           | 1.46%            | 10,618    | Ridgeline   |

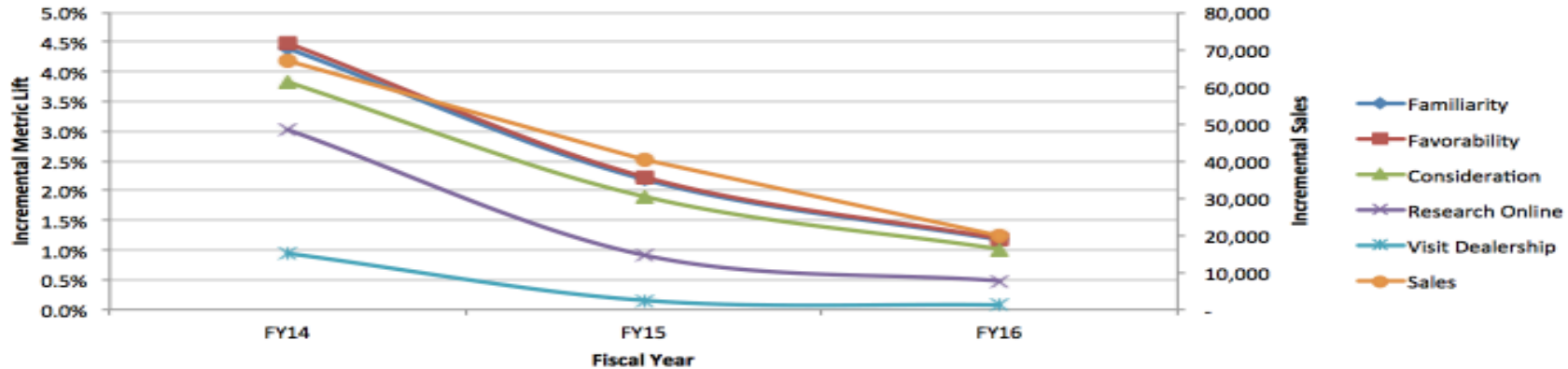
| FY16 END    | Familiarity | Favorability | Consideration | Research Online | Visit Dealership | Sales     | FY16 END    |
|-------------|-------------|--------------|---------------|-----------------|------------------|-----------|-------------|
| Honda Brand | 50.8%       | 47.9%        | 39.8%         | 14.0%           | 7.6%             | 1,226,219 | Honda Brand |
| Accord      | 36.31%      | 38.89%       | 29.98%        | 11.66%          | 6.42%            | 293,607   | Accord      |
| Crosstour   | 0.60%       |              |               |                 |                  |           | Crosstour   |
| Civic       | 38.83%      |              |               |                 |                  |           | Civic       |
| CR-V        | 20.67%      |              |               |                 |                  |           | CR-V        |
| CR-Z        | 38.18%      |              |               |                 |                  |           | CR-Z        |
| Fit         | 10.30%      |              |               |                 |                  |           | Fit         |
| Insight     | 5.56%       |              |               |                 |                  |           | Insight     |
| Odyssey     | 26.96%      |              |               |                 |                  |           | Odyssey     |
| Pilot       | 19.68%      |              |               |                 |                  |           | Pilot       |
| Ridgeline   | 1.20%       |              |               |                 |                  |           | Ridgeline   |

\* assumes no changes in external fact

NAMEPLATE

Accord

Incremental Results by Nameplate



\* sales includes short-term sales + long-term effects

INCREMENTAL METRIC LEVEL

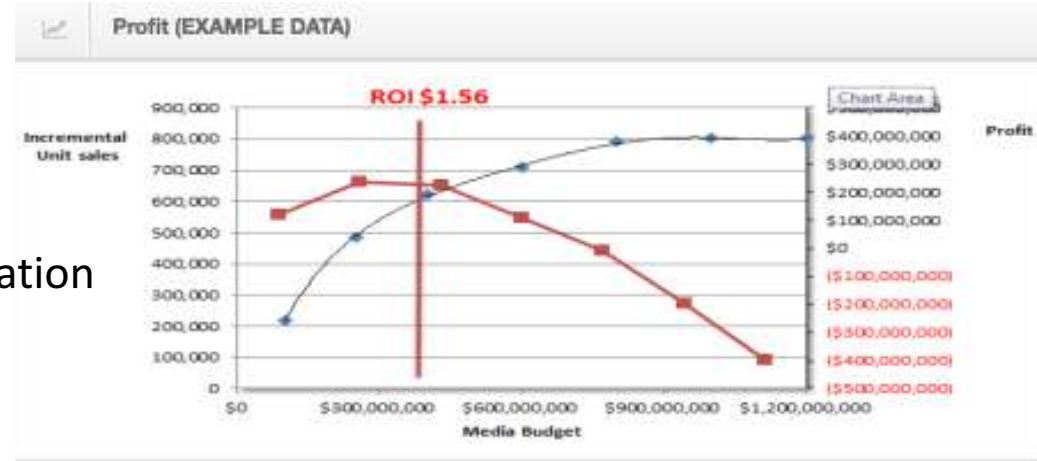
| FY14 END    | Familiarity | Favorability | Consideration | Research Online | Visit Dealership | Sales   | FY14 END    |
|-------------|-------------|--------------|---------------|-----------------|------------------|---------|-------------|
| Honda Brand | 2.46%       | 1.69%        | 0.95%         | 3.32%           | 0.93%            | 233,115 | Honda Brand |
| Accord      | 4.40%       | 4.49%        | 3.82%         | 3.02%           | 0.95%            | 66,730  | Accord      |
| Crosstour   | 5.16%       | 5.41%        | 3.58%         | 2.96%           | 1.22%            | 13,079  | Crosstour   |
| Civic       | 3.33%       | 3.90%        | 3.28%         | 3.03%           | 1.25%            | 48,148  | Civic       |
| CR-V        | 3.47%       | 3.55%        | 2.86%         | 2.44%           | 1.09%            | 38,397  | CR-V        |
| CR-Z        | 2.90%       | 2.83%        | 2.22%         | 2.28%           | 0.94%            | 1,892   | CR-Z        |
| Fit         | 3.59%       | 3.54%        | 2.61%         | 2.20%           | 0.99%            | 15,785  | Fit         |
| Insight     | 5.02%       | 4.78%        | 2.86%         | 2.67%           | 1.01%            | 3,177   | Insight     |
| Odyssey     | 3.65%       | 3.86%        | 2.54%         | 2.53%           | 0.99%            | 28,686  | Odyssey     |
| Pilot       | 4.11%       | 4.51%        | 2.92%         | 2.52%           | 0.98%            | 9,895   | Pilot       |
| Ridgeline   | 4.14%       | 4.30%        | 3.07%         | 2.27%           | 0.85%            | 7,325   | Ridgeline   |

| FY15 END    | Familiarity | Favorability | Consideration | Research Online | Visit Dealership | Sales   | FY15 END    |
|-------------|-------------|--------------|---------------|-----------------|------------------|---------|-------------|
| Honda Brand | 1.22%       | 0.84%        | 0.47%         | 0.98%           | 0.16%            | 122,578 | Honda Brand |
| Accord      | 2.19%       | 2.23%        | 1.90%         | 0.92%           | 0.15%            | 40,298  | Accord      |
| Crosstour   | 2.66%       | 2.80%        | 1.84%         | 1.25%           | 0.34%            | 9,593   | Crosstour   |
| Civic       | 1.61%       | 1.90%        | 1.58%         | 1.15%           | 0.32%            | 19,527  | Civic       |
| CR-V        | 1.68%       | 1.72%        | 1.38%         | 0.87%           | 0.23%            | 17,822  | CR-V        |
| CR-Z        | 1.46%       | 1.43%        | 1.11%         | 0.89%           | 0.23%            | 1,398   | CR-Z        |
| Fit         | 1.84%       | 1.81%        | 1.33%         | 0.84%           | 0.22%            | 7,079   | Fit         |
| Insight     | 2.66%       | 2.54%        | 1.51%         | 1.25%           | 0.36%            | 2,229   | Insight     |
| Odyssey     | 1.91%       | 2.03%        | 1.32%         | 1.16%           | 0.35%            | 18,066  | Odyssey     |
| Pilot       | 2.13%       | 2.35%        | 1.50%         | 1.13%           | 0.33%            | 2,319   | Pilot       |
| Ridgeline   | 2.19%       | 2.27%        | 1.62%         | 1.03%           | 0.27%            | 4,247   | Ridgeline   |

| FY16 END    | Familiarity | Favorability | Consideration | Research Online | Visit Dealership | Sales  | FY16 END    |
|-------------|-------------|--------------|---------------|-----------------|------------------|--------|-------------|
| Honda Brand | 0.65%       | 0.45%        | 0.25%         | 0.52%           | 0.08%            | 47,340 | Honda Brand |
| Accord      | 1.17%       | 1.19%        | 1.02%         | 0.48%           | 0.08%            | 19,848 | Accord      |
| Crosstour   |             |              |               |                 |                  | 3,747  | Crosstour   |
| Civic       |             |              |               |                 |                  | 6,046  | Civic       |
| CR-V        |             |              |               |                 |                  | 5,182  | CR-V        |
| CR-Z        |             |              |               |                 |                  | 547    | CR-Z        |
| Fit         |             |              |               |                 |                  | 2,488  | Fit         |
| Insight     |             |              |               |                 |                  | 856    | Insight     |
| Odyssey     |             |              |               |                 |                  | 6,721  | Odyssey     |
| Pilot       |             |              |               |                 |                  | 449    | Pilot       |
| Ridgeline   |             |              |               |                 |                  | 1,456  | Ridgeline   |



Overall Optimization



## SIRF Building Exercise

Part 1: What is your goal from Marketing?

1. Consider your *marketing* investment overall
2. Determine point in path to purchase you are most trying to influence with that marketing investment, then estimate SIRFs & ROI

Part 2: What is the Specific ROI of a Marketing Tactic

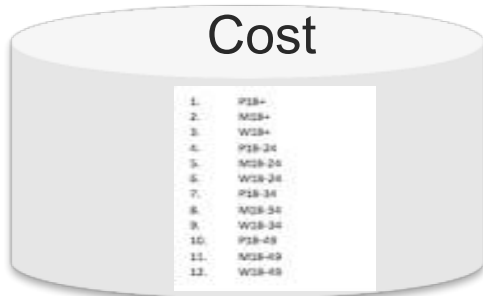
1. Select a specific marketing lever/tactic (an event you are sponsoring, a specific TV placement, etc.)
2. Estimate the number of people you will reach with the specific marketing activity
3. Use the cost, reach and impact to calculate the break-even for ROI.
4. Identify how you would set up a test & control, measure the SIRF.

Use the form and upload your example for feedback.

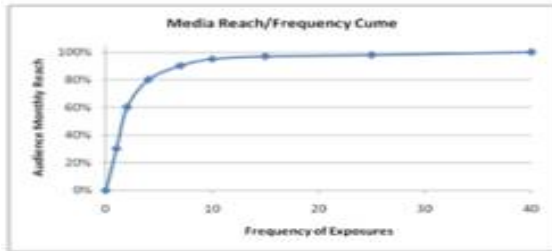


Discussion:

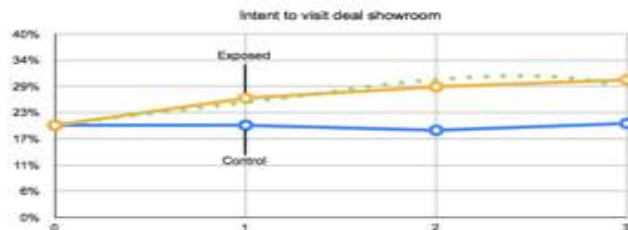
# What Is The ROI On A Branding Initiative?



## Message Exposure



## Impact of those reached



& Value of the impact

## ROI



Example:

Each sale is worth \$2,000 in profit.

Total Cost: \$10,000

Reach: 100,000 people

Impact: +3pts Top brand considered (+3000 people)

Total Profit: \$200,000 in profit

Return on Investment:

**300\*** (# of people impacted per \$1000 dollars)

**\$3.33\*** (Cost per person impacted)

Path To Purchase Conversion to Sales: 3%

(9 buyers = \$18,000 in sales = **\$1.80** ROI)

# Super Bowl Performance





# Key Concepts Summary

1. Measuring impact, calculating ROI, and avoiding misattribution
2. Message level impact, different messages have different impact to different people
3. Optimizing for shorter-term versus longer-term impact

# Up Next: MONICA Algorithm

1. Theory: SIRFs, Calculations & Logic
2. Theory: MONICA Algorithm
3. Theory: Design Principles, Product Tour

## LUNCH

4. Practice: Hands-on with ROI Brain™ Dashboard
5. Practice: Hands-on with ROI Brain™ Planning Software
6. Practice: Hands-on with Support & The “What’s New, What’s Next, What’s Desired” cycle
7. Certification Quiz